

The need for unification and harmonization of the international contract law

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The internationalization of trade during the 20th century has raised the question of how such trade can be conducted in the most efficient manner. International trade historically has been subject to numerous domestic legal systems, mainly by virtue of the rules of private international law. Such legal diversity creates legal uncertainty and imposes additional transactional costs on the contracting parties. The determination to remove barriers to international trade led to a push for greater predictability regarding applicable law for international transactions. It was universally accepted that legal risks and costs are reduced if there would be one law or a set of regulations dealing with international trade. It seemed inevitable the idea to think seriously about the process of unification or harmonization of the international contract law. The purpose of this paper is to provide an overview of the process of unification and harmonization, and later explore initiatives intended to realize these processes, starting with Hague's Conventions, The UN Convention on International Sale of Goods, UNIDROIT Principles for International Commercial Contracts, Principles of European Contract Law, or efforts for one European Civil Code.

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